GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Lands - APIIC Ltd - Permission to APIIC to cancel the allotment made in favour of M/s.Kintea Power Ltd., and to resume the Government land of 840.76 Acres in Thamminapatnam & Momidi Villages, Chillakur (M), SPSR Nellore District – Permission accorded - Orders - Issued.

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INDUSTRIES & COMMERCE (INFRA) DEPARTMENT

G.O.MS.No. 84 Dated: 24-11-2020.

Read the following:

1.G.O.Ms.No.223, Revenue (Assn.II) Dept, dt.20.02.2009.
2.From the VC&MD, APIIC Ltd., Single File No.APIIC-17030/6/2018-ASSET MGMT-APIIC & Lr.dt.30.07.2020 & 28.08.2020.

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ORDER:

In the reference 1st read above, orders were issued for alienation of 1,847.98 Acres of Government land i.e. 814.77 Acs in Sy.No.237 etc., of Thamminapatnam (V) and 1,033.21 Acs in Sy.No.471 etc., of Momidi (V), Chillakur (M), SPSR Nellore District in favour of APIIC Ltd., at a market value of Rs.60,000/- per Acre for establishment of Industrial Park.

2. Out of the total extent of 1,847.98 Acres of Government land the APIIC Ltd., has allotted 840.76 Acres (814.77 Acs i.e. 230.11 Acs in Sy.Nos.321, 322 & 327/3 of Thamminapatnam (V) and 584.66 Acs in Sy.Nos.471, 583 to 616, 662/2 & 687 + 25.99 Acs in Sy.Nos.686, 688 & 689 of Momidi (V), Chillakur (M), SPSR Nellore District) in favour of M/s.Kintea Power (P) Ltd., for setting up a 810 MW (3X270 MW) initially and later 1080 MW (4X270 MW) coast based Coal fired Thermal Power Project at Krishnapatnam, SPSR Nellore District with an investment of Rs.2,997 Crores & employment generation to 600 people on 04.06.2009 & 30.03.2012 respectively. Agreements of sale were also concluded accordingly and possession handed over for implementation of the Project.

3. The time frame fixed to implement the Project as per the Clause.9 (c) of Agreement of sale is two (2) years and any extension of time is subject to levying of penalty @ 10% on the land cost at the prevailing rates and no Extension of Time for more than two (2) years be entertained.

4. M/s.Kintea Power (P) Ltd., has not implemented the Project within time frame. Show Cause Notices were issued to the Company on 02.03.2010, 07.05.2012 & 10.07.2013. The Company has replied on 12.08.2013 p& 25.10.2013 stating that they are in process of obtaining necessary CRZ clearance besides the E.C. & CFE already obtained and therefore sought permission to include a strategic partner by exempting them from Clause No.9 (i) of Sale Agreement. Accordingly M/s.Jindal Power (P) Ltd., came into issue vide their Repn.,dt.02.09.2013 stating that they are willing to implement the Project of M/s.KPPL and therefore requested to exempt them from the purview of Clause No.27 (1) of APIIC Allotment Regulations, 2012. In the 197th Board of APIIC Meeting the request of M/s.JSPL was approved to implement the project as it is and the same was informed to Government on 19.10.2013 for issue of necessary instructions.

5. The District Collector, SPSR Nellore District in his Lr.dt.01.08.2013 addressed to Government & APIIC has stated that in the land allotted for 840.00 Acs in favour of M/s.KPPL for establishment of 1980 MW Power Plant in Thamminapatnam & Momidi Villages, Chillakur (M), SPSR Nellore District at one Village by name Mannegunta H/o of Momidi (V) falls in the midst of Government land allotted to the Project and 158 Households existing in Mannegunta need to be shifted to some other places under Rehabilitation & Re-settlement package and accordingly he also worked out the package amount admissible under Rehabilitation & Re-settlement package for an amount of Rs.25.00 Crores stating that the said Company have come forward to meet the entire expenditure for displacement & rehabilitation of the Villages to Rehabilitation & Re-settlement Center. However, the Rehabilitation & Re-settlement issue is pending till date.

(P.T.O.)

6. After noticing the violation of certain terms & conditions of Agreement for sale, Government on 29.04.2014 have instructed the APIIC to conduct an inquiry observing that M/s.Kineta Power (P) Ltd., has made change/dilution of share holding before implementation of the Project without intimation/permission of Government & APIIC Ltd. Government have nominated M/s.Narasimha Murthy & Co., cost Accountant to conduct performance audit. The performance audit report reveals that the original promoters have already sold the shares to Navayuga who in turn sold to Jindal Group who is controlling the interest in M/s.KPPL as on date. M/s.KPPL name also stands changed as M/s.KPL which could not implement the Project. In the 201st Board Meeting of APIIC held on 31.12.2014 also it was resolved to cancel the allotment.

7. Government observed that as per the report of APIIC in the reference 2nd read above, the Sale agreement executed between APIIC and M/s.KPPL does not have provisions for transfer of allotment of land before or during the implementation of the Project. The allotment was made in the year 2009 and a period of eleven (11) years were elapsed from the date of conclusion of Agreement and till today, the Project could not be implemented. Further, M/s.KPPL themselves admitted that they cannot accomplish financial closure in the present scenarios. In their further remarks, dt.22.11.2020, the APIIC has informed that the Company has addressed a Letter on 24.07.2012 to APIIC submitting the reason for non implementation as the land allotted in not contiguous and Rehabilitation & Re-settlement of the Villages falling amidst are pending.

8. Government, after careful examination of the matter duly taking into consideration of the facts and circumstances of the case, and in view of the public interest, hereby accord permission to APIIC Ltd., to cancel the allotment made to M/s.Kineta Power Ltd., and to resume the Government land of 840.76 Acres (814.77 Acs i.e. 230.11 Acs in Sy.Nos.321, 322 & 327/3 of Thamminapatnam (V) and 584.66 Acs in Sy.Nos.471, 583 to 616, 662/2 & 687 + 25.99 Acs in Sy.Nos.686, 688 & 689 of Momidi (V), Chillakur (M), SPSR Nellore District) immediately as per the APIIC allotment Regulations in vogue in order to make use of the land for Industrial development.

9. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., APIIC Tower, 9th to 11th Floors, Plot No.CFC-1, IT Park, Mangalagiri, Guntur District, A.P. – 522 503.

Copy to:
The Additional Secretary to C.M., CMO, A.P. Secretariat.
The District Collector, SPSR Nellore District.
The P.S. to Spl.Chief Secretary to Govt & CIP, Ind & Com Dept, A.P. Secretariat.
SC/SF.

//FORWARDED BY: ORDER//

SECTION OFFICER